

STATE OF NEW YORK : DEPARTMENT OF HEALTH
STATE BOARD FOR PROFESSIONAL MEDICAL CONDUCT

IN THE MATTER

SURRENDER

OF

ORDER

**HENRY F. GARDSTEIN, JR., M.D.,
aka HENRY F. GARDSTEIN, M.D.**

BPMC No. #08-119

Upon the application of (Respondent), **HENRY F. GARDSTEIN, JR., M.D.,
aka HENRY F. GARDSTEIN, M.D.**, to Surrender his license as a physician in the State of New York,
which is made a part of this Surrender Order, it is

ORDERED, that the Surrender, and its terms, are adopted and it is further

ORDERED, that Respondent's name be stricken from the roster of physicians in the
State of New York; it is further

ORDERED, that this Order shall be effective upon issuance by the Board, either
by mailing of a copy of this Surrender Order, either by first class mail to Respondent at the
address in the attached Surrender Application or by certified mail to Respondent's attorney, or
upon facsimile transmission to Respondent or Respondent's attorney, whichever is first.

SO ORDERED.

DATE: 7-3-2008

Redacted Signature

KENDRICK A. SEARS
Chair
State Board for Professional Medical Conduct

STATE OF NEW YORK : DEPARTMENT OF HEALTH
STATE BOARD FOR PROFESSIONAL MEDICAL CONDUCT

IN THE MATTER
OF
HENRY F. GARDSTEIN, JR., M.D.
aka HENRY F. GARDSTEIN, M.D.
CO-07-08-4693-A

SURRENDER
OF
LICENSE

HENRY F. GARDSTEIN, JR., M.D., aka HENRY F. GARDSTEIN, M.D., representing that all of the following statements are true, deposes and says:

That on or about July 1, 1971, I was licensed to practice as a physician in the State of New York and issued License No. 108744 by the New York State Education Department.

My current address is 44 Community Drive, Manhasset, NY 11030.

I understand that the New York State Board for Professional Medical Conduct has charged me with two (2) Specifications of professional misconduct.

A copy of the Statement of Charges, marked as Exhibit "A," is attached to and part of this Surrender of License.

I am applying to the State Board for Professional Medical Conduct for permission to surrender my license as a physician in the State of New York on the grounds that I do not contest the two (2) Specifications in full satisfaction of the charges against me.

I ask the Board to accept the Surrender of my License, and I agree to be bound by all of the terms set forth in attached Exhibit "B."

I understand that if the Board does not accept my Surrender of License, none of its terms shall bind me or constitute an admission of any of the acts of alleged misconduct; this application shall not be used against me in any way and shall be kept in strict confidence; and the Board's denial shall be without prejudice to the pending disciplinary proceeding and the Board's final determination pursuant to the Public Health Law.

I agree that, if the Board accepts the Surrender of my License, the Chair of the Board shall issue a Surrender Order in accordance with its terms. I agree that this Order shall take effect upon its issuance by the Board, either by mailing of a copy of the Surrender Order by first class mail to me at the address in this Surrender of License, or to my attorney by certified mail, or upon facsimile transmission to me or my attorney, whichever is first. The Surrender Order, this agreement, and all attached Exhibits shall be public documents, with only patient identities, if any, redacted. As public documents, they may be posted on the Department's website.

I ask the Board to accept this Surrender of License, which I submit of my own free will and not under duress, compulsion or restraint. In consideration of the value to me of the Board's acceptance of this Surrender of License, allowing me to resolve this matter without the various risks and burdens of a hearing on the merits, I knowingly waive my right to contest the Surrender Order for which I apply, whether administratively or judicially, and I agree to be bound by the Surrender Order.

I understand and agree that the attorney for the Department, the Director of the Office of Professional Medical Conduct and the Chair of the State Board for Professional Medical Conduct each retain complete discretion either to enter into the proposed agreement and Order, based upon my application, or to decline to do so. I further understand and agree that no prior or separate written or oral communication can limit that discretion.

Date: 6/23, 2008

Redacted Signature

HENRY F. GARDSTEIN, JR., M.D.
aka HENRY F. GARDSTEIN, M.D.
Respondent

The undersigned agree to Respondent's attached Surrender of License and to its proposed penalty, terms and conditions.

Date: 1 JULY, 2008

Redacted Signature

ROBERT BOGAN
Associate Counsel
Bureau of Professional Medical Conduct

Date: 7/2, 2008

Redacted Signature

KEITH W. SERVIS
Director, Office of Professional
Medical Conduct

IN THE MATTER**OF****HENRY F. GARDSTEIN, JR., M.D.
aka HENRY F. GARDSTEIN, M.D.
CO-07-08-4693-A**

STATEMENT**OF****CHARGES**

HENRY F. GARDSTEIN, JR., M.D., aka HENRY F. GARDSTEIN, M.D., Respondent, was authorized to practice medicine in New York state on July 1, 1971, by the issuance of license number 108744 by the New York State Education Department.

FACTUAL ALLEGATIONS

A. Between about January 2004 and continuing through May 2004, Respondent along with others, reached an agreement to (1) knowingly and unlawfully distribute, dispense, and cause to be dispensed Schedule III and Schedule IV controlled substances outside the usual course of medical practice; and (2) to launder the proceeds of this drug conspiracy. Respondent voluntarily and intentionally joined in the agreement or understanding to distribute, dispense, and cause to be dispensed Schedule III and Schedule IV controlled substances outside the usual course of medical practice and to launder the money from the drug conspiracy.

B. Pursuant to the conspiracy, controlled substances were ordered by internet pharmacy customers who logged onto one or more websites sponsored by the corporation Pharmacom. The Internet pharmacy customers selected and then prepaid for Schedule III and Schedule IV controlled substances on-line using credit or debit cards.

C. Respondent reviewed approximately 50-80 questionnaires each day on Pharmacom's behalf. During his four-month employment with Pharmacom, Respondent authorized 7,456 prescriptions. From these prescriptions, 397,270 dosage units of Schedule III controlled substances were dispensed and 38,760 dosage units of Schedule IV controlled substances were dispensed. The majority of these prescriptions were for hydrocodone.

D. Respondent was paid \$43,689.00 by Pharmacom for his role in the Internet prescribing conspiracy.

SPECIFICATIONS
FIRST SPECIFICATION

Respondent violated New York Education Law §6530(2) by practicing the profession fraudulently:

1. The facts in Paragraphs A, B, C, and/or D.

SECOND SPECIFICATION

Respondent violated New York Education Law §6530(3) by practicing the profession with negligence on more than one occasion:

2. The facts in Paragraphs A, B, C, and/or D.

DATED: *June 27*, 2008
Albany, New York

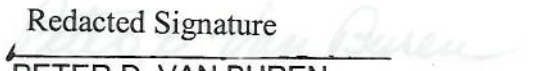
Redacted Signature

PETER D. VAN BUREN
Deputy Counsel
Bureau of Professional Medical Conduct

EXHIBIT "B"

GUIDELINES FOR CLOSING A MEDICAL PRACTICE FOLLOWING A REVOCATION, SURRENDER OR SUSPENSION (of six months or more) OF A MEDICAL LICENSE

1. Respondent shall immediately cease the practice of medicine in compliance with the terms of the Surrender Order. Respondent shall not represent that Respondent is eligible to practice medicine and shall refrain from providing an opinion as to professional practice or its application.
2. Within 15 days of the Surrender Order's effective date, Respondent shall notify all patients that Respondent has ceased the practice of medicine, and shall refer all patients to another licensed practicing physician for their continued care, as appropriate.
3. Within thirty days of the Surrender Order's effective date, Respondent shall deliver Respondent's original license to practice medicine in New York State and current biennial registration to the Office of Professional Medical Conduct (OPMC) at 433 River Street Suite 303, Troy, NY 12180-2299.
4. Respondent shall arrange for the transfer and maintenance of all patient medical records. Within thirty days of the Surrender Order's effective date, Respondent shall notify OPMC of these arrangements, including the name, address, and telephone number of an appropriate contact person, acceptable to the Director of OPMC, who shall have access to these records. Original records shall be retained for patients for at least six years after the last date of service, and, for minors, for at least six years after the last date of service or three years after the patient reaches the age of majority, whichever time period is longer. Records shall be maintained in a safe and secure place that is reasonably accessible to former patients. The arrangements shall ensure that all patient information is kept confidential and is available only to authorized persons. When a patient or authorized representative requests a copy of the patient's medical record, or requests that the original medical record be sent to another health care provider, a copy of the record shall be promptly provided or sent at reasonable cost to the patient (not to exceed 75 cents per page.) Radiographic, sonographic and like materials shall be provided at cost. A qualified person shall not be denied access to patient information solely because of inability to pay.
4. Within 15 days of the Surrender Order's effective date, if Respondent holds a Drug Enforcement Agency (DEA) certificate, Respondent shall advise the DEA in writing of the licensure action and shall surrender Respondent's DEA controlled substance certificate, privileges, and any used DEA #222 U.S. Official Order Forms Schedules 1 and 2, to the DEA.
6. Within 15 days of the Surrender Order's effective date, Respondent shall return any unused New York State official prescription forms to the Bureau of Narcotic Enforcement of the New York State Department of Health. Respondent shall have all prescription pads bearing Respondent's name destroyed. If no other licensee is providing services at Respondent's practice location, Respondent shall dispose of all medications.

7. Within 15 days of the Surrender Order's effective date, Respondent shall remove from the public domain any representation that Respondent is eligible to practice medicine, including all related signs, advertisements, professional listings whether in telephone directories or otherwise, professional stationery or billings. Respondent shall not share, occupy or use office space in which another licensee provides health care services.
8. Respondent shall not charge, receive or share any fee or distribution of dividends for professional services rendered (by Respondent or others) while barred from practicing medicine. Respondent may receive compensation for the reasonable value of services lawfully rendered, and disbursements incurred on a patient's behalf, prior to the Surrender Order's effective date.
9. If Respondent is a shareholder in any professional service corporation organized to engage in the practice of medicine and Respondent's license is revoked, surrendered or suspended for six months or more pursuant to this Order, Respondent shall, within ninety days of the Order's effective date, divest completely of all financial interest in such professional services corporation in accordance with New York Business Corporation Law. If Respondent is the sole shareholder in a professional services corporation, the corporation must be dissolved or sold within ninety days of the Order's effective date.
10. Failure to comply with the above directives may result in civil or criminal penalties. Practicing medicine when a medical license has been suspended, revoked or annulled is a Class E Felony, punishable by imprisonment for up to four years, under § 6512 of the Education Law. Professional misconduct may result in penalties including revocation of the suspended license and/or fines of up to \$10,000 for each specification of misconduct, under § 230-a of the Public Health Law.